

POMPEIAN OLIVE OIL — POMPEIAN OLIVE OIL — POMPEIAN OLIVE OIL — POMPEIAN OLIVE OIL — POMPEIAN OLIVE OIL

DOLLARS, FRANCS, LIRE & PESETAS

(American)

(French)

(Italian)

(Spanish)

The ignorance displayed in the handling of the exchanges of money between the Allies in their inter-relationship and between the Allies and Neutrals will stand as a shameful spot in the history of the Great War

Everything is bought and paid for with funds in terms of current money.

In America, dollars; in Italy, lire; in France, francs; in Spain, pesetas; in England, pounds sterling, are the terms of current funds and the measures of value. Before one nation can consume the product of another nation, and before one nation can make its product available to another nation, there must take place an exchange of money—unless money is eliminated from the transaction and the actual exchange of barter takes its place.

The Englishman, in order to buy cotton in the United States, must first buy dollars to pay for the cotton. In payment for the dollars he parts with pounds sterling. This is called a "foreign exchange transaction."

The Frenchman, the Italian, the Spaniard, the Swiss, the Norwegian, the Chinaman and the Japanese must all go through the same performance. They must all buy American dollars so as to provide the current funds in America to pay for the commodities which they intend to export for consumption in their home countries.

The American, likewise, when in need of commodities produced in any other country must obtain the current funds of the foreign nation before he can purchase any commodities produced in that foreign land—and in exchange for the current funds he must give American dollars.

The exchange of money becomes very vital in international commerce, and the foreign exchange value of money becomes the basic factor in the cost of the commodities.

Gold has been adopted as the standard for money in almost every civilized country. Some countries have the double standard of gold and silver. But an ounce of gold of a certain fineness has the same value the world over. The same ounce of gold in Japan means so many yen, in London so many pounds sterling, in the United States so many dollars, in France so many francs, etc. The Italian lira, the French franc, the Spanish peseta have the same gold value as expressed in American money. \$192.95 (or 19 and 295-100 cents) in gold represents a franc, a lira and a peseta or 5.18 lire are equal to one dollar; so are 5.18 francs, as well as 5.18 pesetas. In other words, on the basis of gold parity, the relative value of the lira, the franc or the peseta to the dollar is the same.

This relative sameness between the franc, the lira, the peseta and the dollar has been entirely ignored in the commercial relationship between Italy, France, Spain and the United States.

The Italian people, in order to avail themselves of the food, clothing and shelter materials that the United States furnishes them, must first buy dollars, because all their payments to the American people must be made in dollars. To obtain these dollars they must part with lire. The unwillingness (because American bankers have no use for lire unless they carry them as balances in Italian banks) on the part of the American bankers to accept lire in exchange for dollars on an actual gold par basis means that the Italians must pay as many lire as are demanded of them in exchange for dollars, ignoring altogether the gold parity basis. If the Italians are not satisfied with this they must make gold shipments to the United States in payment for American dollars. But the Italians cannot spare this. Then, again, they might pay us with their own commodities. But by reason of the prolonged war they have none to offer. Their extreme need of food, clothing and shelter materials is such that they have been forced to pay 6.35 lire for every dollar.

(The most extreme and urgent need of the Italian people of food, clothing and shelter materials in the months of June and July, 1918, forced them to pay 9.15 lire for every dollar. At that time it looked as if the Italian lira would become worthless, and it was then, and only then, that the American, British and French governments awoke to the importance of assisting their struggling Italian ally.)

The French, when buying food, clothing and shelter materials in the United States, must pay 5.45 francs for every dollar, whereas the Spaniard can obtain the dollar today for 4.90 pesetas. **(A few months ago the Spaniard was able to obtain the dollar for 3.50 pesetas.)**

We want to state most emphatically that the ignorance and neglect of those Allied officials entrusted with their financial problems have brought about this appalling condition. The self-same ignorance and neglect are responsible for the system which permits European neutrals, South Americans, Mexicans, Chinese, Japanese, to obtain more dollars in exchange for their money than Italy, France and Great Britain can get for theirs when it is converted into dollars.

The American people have in their midst over \$3,000,000,000 worth of gold, approximately 3-5 of the entire gold resources of the world, and yet through ignorance and neglect the American dollar is selling at a discount in all European neutral countries, in all South American countries, even in Mexico, China and Japan (in these latter-mentioned countries the discount is decided).

The Italian, Frenchman, Spaniard or other foreigner should be able to obtain their food, clothing and shelter materials in the United States on the same basis when measured in terms of their own money. The actual gold standard should be the basis of exchange and not the fictitious balance-of-trade standard now in use. We owe a great deal to suffering Italy, and at least should make it possible for the Italian people to obtain from our abundance those essentials which we have and they have not, on an actual basis of exchange.

THE PURPOSE OF THIS PUBLICITY IS:

- 1st—To remove the veil of mystery that has surrounded the term "foreign exchange."
- 2d—To impress upon the American as well as Allied financial officials the fact that history will hold them responsible for their neglect and ignorance.
- 3d—To affirm that the stabilization of the Allied moneys in their inter-relationship should be made forthwith on a basis of actual gold parity.
- 4th—To affirm that the gold American dollar, the stable British pound sterling, the reliable French franc and the good Italian lira should be made worth gold par throughout the world, at once.
- 5th—To suggest that the Allies in their inter-relationship accept securities from those countries that have no gold to spare and no commodities to exchange for the food, clothing and shelter materials that they need so urgently.

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